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TAGS: [PREL](#) [PINS](#) [PM](#) [CH](#) [TW](#)
SUBJECT: ASD RODMAN-MFA HE YAFEI MEETING: LOOKING FOR
CONVERGENCE AND ENGAGEMENT

Classified By: Deputy Chief of Mission David Sedney.
Reasons 1.4 (b/d).

Summary

1. (C) China maintains a positive view of relations with the United States in the aftermath of Chinese President Hu Jintao's April visit to Washington, Assistant Foreign Minister He Yafei told Assistant Secretary of Defense Peter Rodman. AFM He characterized the United States and China as stakeholders and constructive partners. The two militaries are having more exchanges which form an important part of the overall relationship. China will send observers to the Pacific "Valiant Shield" military exercise. AFM He warned that Chen Shui-bian could be desperate because of his domestic problems and both the United States and China need to be alert to the Taiwan situation. ASD Rodman said that the more convergence there is of U.S.-China strategic interests, the more stability there is to the relationship. The lack of Chinese participation in the Shangri-La Dialogue and Asia-Pacific Center for Security Studies courses is a missed opportunity. AFM He indicated Beijing's unhappiness with the China Military Power Report. ASD Rodman pointed out the objective and factual nature of the Report and its mandate to address developments in the Chinese military. ASD Rodman said that influence in Central Asia is not a zero-sum game. AFM He said China is not aiming to undermine the United States in Central Asia. End Summary.

Chart a Cooperative Course (But Watch Out for Taiwan)

2. (C) Assistant Secretary of Defense Peter Rodman met July 9 with MFA Assistant Foreign Minister He Yafei in Beijing following the eighth U.S.-China Defense Consultative Talks (DCTs). AFM He assessed that bilateral relations remain very positive following the April 2006 Bush-Hu summit. The most important achievement of the visit is that the two heads of state understand how to chart the course of cooperative relations in the future. The United States and China are not only "stakeholders"--the term coined by the U.S. Government--but also constructive partners. Differences still exist between the United States and China in fields such as trade and human rights, but they are now being addressed through dialogue. For the next few years, bilateral ties are on the right course, AFM He affirmed.

3. (C) Exchanges and talks between the two militaries have improved as part of the strengthening of the overall relationship, AFM He continued. China was encouraged by President Bush's statement seeking improved junior military officer exchanges during his June 5 meeting with a visiting

Chinese civil service delegation in Washington. China welcomes its opportunity to observe the first Western Pacific "Valiant Shield" military exercise and will dispatch military and MFA officials to attend.

¶4. (C) Turning to Taiwan, AFM He declared that "we must be alert" to possible provocations because Chen Shui-bian "could be desperate" to divert attention from his domestic problems.

¶5. (C) ASD Rodman said that he was in overall agreement with having more discussions and exchanges. The two sides have differences on some regional and strategic issues, but this makes dialogue all the more important; the more convergence there is of strategic interests, the more stability to the relationship.

Looking for China in Shangri-La and Hawaii

¶6. (C) The International Institute for Strategic Studies (IISS)-sponsored "Shangri-La Dialogue" in Singapore is an example of an inclusive forum for regional defense ministers, Rodman said. China could benefit from participating in such fora. In Defense Secretary Rumsfeld's view, China's participation would be useful, Rodman said.

¶7. (C) Asia-Pacific Center for Security Studies (APCSS) courses in Hawaii are another example of an exchange where China is absent, ASD Rodman stated. APCSS has invited Chinese military and civilian officials to attend its courses but China refuses to send representatives because the United States invites Taiwan participants. ASD Rodman stated that the United States would not change its policy on whom to invite to APCSS courses, but he believed the problem was soluble; a practical way could be found to ensure that Chinese and Taiwan participants would not be forced to encounter one another. AFM He said that China could resume attending if there were no participation by Taiwan. Beijing could explore different options for sending participants, AFM He said, noting that he had visited APCSS for discussions.

China Military Power Report

¶8. (C) AFM He commented that Beijing was "very unhappy" with the 2006 Annual Report to Congress on Military Power of the People's Republic of China. The Report reflected the "China threat" mentality and seemed out of line with positive comments by U.S. officials on China, he asserted. ASD Rodman pointed out that the Report is required annually by Congress and that the tone is dry, factual and reflects coordinated U.S. Government input. Deputy Secretary Zoellick referred favorably to last year's report in his speech on China last September. Lack of transparency continues to be a key concern for the United States and others in the region so the Report satisfies a need for more information. Bringing together drafters of the U.S. Report and the PRC biennial Defense White Paper could be useful, as MG Zhang Qinsheng had suggested in the DCT. AFM He stated that a "weaker" military has to limit some of its transparency.

SCO/Central Asia

¶9. (C) ASD Rodman raised U.S.-China interests in Central Asia, pointing out that relations with Central Asia are not a zero-sum game and the U.S. is concerned about pressures on some of the smaller members of the Shanghai Cooperative Organization (SCO). AFM He asserted that the United States should not be concerned about the development of the SCO. China does not seek to undermine the United States in Asia, including Central Asia, he said. The SCO was setup to combat international terrorism, national separatism and religious extremism, and although it has expanded its

activities as a measure of its success, it is not targeted at any third country. Iranian President Ahmedinejad will attend the SCO summit as an observer, but has pledged not to use the event to advance Iran's political objectives on issues unrelated to the SCO, AFM He claimed.

110. (U) ASD Rodman has reviewed and cleared this cable.

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